NEC BRIEFING

13 March 1957

DEVELOPMENTS IN POLAND AND HUNGARY

- I. Since the national elections in late Jan, Poland's Gomulka has given the appearance of applying brakes to the "liberal" course.
 - A. The crusading editors of the Party and Government newspapers have been fired and Poland's press has been sternly warned to cease its "irresponsible anti-Stalinist campaign."
 - B. Several former Stalinists (including one of Gomulka's chief opponents, Deputy Premier Nowak) were retained in government posts when the new post-election Gov't was formed in Feb.
 - C. Many remore have accompanied the visit of Foreign Minister Rapacki to Moscow (3-7 Mar), ostensibly to formalize the Baltic Sea portion of the Soviet-Polish frontier.
 - 25X1X 1.

 many Poles believed Rapacki's trip involved "more important and dangerous" matters.
 - 25X1X 2. it involved newlyformulated Soviet demands on Poland.
- II. In our opinion, this apparent trend by Gomulka away from his "liberal" supporters is a tactical device which does not reflect a change in his basic policies.
 - A. We believe Gomulka still adheres to a course of independence from the Kremlin, as outlined at the Outober 8th Party Plenum.

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- B. We also believe he continues to favor-as he did at the Plenum-a policy of economic reform, including deemphasis of agricultural collectivisation and restoration of smallscale private enterprise.
- III. As motivation for Gomulka's apparent change in course, we see the following:
 - A. He has curbed the press because the journalists were attempting to carry the revolution too far.
 - B. He is appearing Poland's Stalinists in the hope of winning them over and restoring Party unity.
 - C. By both actions, Gomulka is above all attempting to reduce the danger of a direct Soviet intervention in Poland.
- IV. However, we also believe that, however "correct" Gomulka's motivations for this tactical shift may be, he is in danger of losing his most important source of power--popular support--as a result. His recent actions endanger his delicately-balanced position between Soviet restriction and Polish popular demands.
 - A. In the light of the subversive efforts of his opponents in the Polish Party and general Soviet antipathy toward him, Gommika's chances of survival will become even slimmer in the event of diminished popular support.
 - B. Basic key to continued popular support is restoration of the shaky Polish economy. At present, we note:
 - Increasing unemployment, due to raw material shortages,
 repatriations from the USSR and Gov't reductions in force;
 - 2. Low agricultural production;

- 3. A failure to improve the supply of consumer goods and housing;
- 4. In coal production (Poland's principal expert) an inability to keep up with rising domestic needs.
- W. Heanwhile, the approach of 15 March-Hungary's traditional national holiday of independence (akin to our 4 July) -- is being met by the despised Kadar regime with a mixture of nervousness and bluster.
 - A. Security forces in Budapest have been reinforced. Soviet POSITIVE tanks are more in evidence (but no evidence of special Sov alert).
 - B. US Legation reports that, in past weeks, thousands—perhaps tens of thousands—of potential trouble—makers have been arrested. Legation also reports rumors that number of soncentration camps have been reopened.
 - C. Endar's propagandists are simultaneously claiming that the 15th will see no real trouble and that any "counterrevolutionary" efforts are decord to failure and merciless repression.
 - 1. Gov't plans for period include:
 - a. Controlled student meetings on 14th.
 - b. Holiday on 15th for students, Gov't employees (possibly to keep these two groups away from Universities, downtown buildings).
 - e. Work-day on 15th for factory labor (possibly to permit close Gov't eye on workers).

- VI. Although overall Hungarian situation is increasingly tense, we believe large-scale violence on 15th is unlikely.
 - A. Popular hostility against Kadar and Soviets is as strong as ever, but sentiments favoring violence are offset by despair and realization that regime and Soviets together can crush any uprising.
 - B. Although some evidence of coordination between various Hungarian underground groups, no unified popular program has been developed for 15th.
 - 1. Some favor a silent march.
 - 2. Others want a stay-home protest.
 - 3. Most want to avoid bloodshed.
 - C. Thus, we expect that 15th will be marked by silent demonstrations, perhaps sporadic violence, but not major outburst unless Kadar regime attempts bloody suppression.

MSC BRIEFING

13 March 1957

POLAND AND HUNGARY

- I. In <u>Poland</u>, Gomulka in recent weeks has given appearance of putting brakes on "liberal" course: has warned press against "irresponsible" anti-Stalinism, confirmed some former Stalinists in their Gov't jobs.
 - A. We view these moves as only tactical; motivated by Gomulka's urge to rebuild Party unity and, at all costs, avoid pretext for Sov intervention.
 - B. Mowever, there is danger that, in process, Gomulka may lose his most important source of power--popular support.
 - C. Final key to popular support is Polish economic improvement.

 Mere, we note only ghoomy signs--more unemployment, low farm
 production, coal production unable to meet new demands.
- II. In Hungary, Kadar regime is alternately nervous and blustering as 15 March holiday approaches.
 - A. Budapest security troops reinforced: Sov tanks more in evidence.
 - B. Legation reports thousands arrested in past weeks.
 - C. Kadar's propagandists simultaneously claiming nothing will happen on 15th and any uprising will be repressed mercilessly.
 - D. Although Hungarians' hatred of Kadar & Sovs as strong as ever, we think major outburst on 15th is unlikely.
 - 1. Sentiments for violence offset by knowledge that regime and Sovs can cursh uprising, and wish to avoid bloodshed.
 - 2. Thus we expect silent demonstrations on 15th, but no major violence unless sparked by brutal regime suppression.

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